kaiser commission on medicaid and the uninsured
KEY FACTS
THE HENRY J. KAISER FAMILY FOUNDATION

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Five Facts About the Uninsured

The number of non-elderly uninsured reached 49.1 million in 2010.* Decreasing the number of uninsured was a key goal of the 2010 Patient Protection and Affordable Care Act (ACA), which will provide Medicaid or subsidized coverage to qualifying individuals with incomes up to 400% of poverty. This brief provides basic facts that explain why so many people lack coverage and the effects of being uninsured.

1) Most of the nation's 49.1 million uninsured are low- or moderate-income. [1]

Individuals below poverty are at the highest risk of being uninsured, and this group comprises 41% of all the uninsured (the poverty level for a family of four was $22,050 in 2010). In total, nine in ten of the uninsured are in low- or moderate-income families, meaning they are below 400% of poverty. Since the average annual cost of employer-sponsored family coverage in 2010 was $13,770, many cannot afford the premiums without sizable employer contributions.

2) More than three-quarters of the uninsured are in a working family.

Uninsured workers typically are not offered insurance through their own or a family member's employer. Additionally, persistently high unemployment since 2008 has put many people's employer-sponsored coverage at risk. Meanwhile, many workers who are offered employer-sponsored coverage saw their share of premiums rise in 2010.

3) Medicaid and the Children's Health Insurance Program (CHIP) prevent more people, particularly children, from becoming uninsured.

Enrollment in public coverage has increased steadily in recent years. In 2010, there were 45 million people below age 65 enrolled in Medicaid and CHIP. However, low-income adults do not qualify for Medicaid in many states. Despite these limits, Medicaid has played a crucial role in providing coverage during the weak economy, especially for adults without dependent children. Medicaid enrollment has been supported in part by a temporary increase in federal funding to states and the requirement that states maintain eligibility to receive those funds.

4) About one-quarter of uninsured adults go without needed care due to cost compared to only four percent of those with private insurance.

The uninsured suffer from negative health consequences due to their lack of access to necessary medical care. They are less likely than those with insurance to receive preventive care and services for major health conditions—which leads to more serious health problems for many and significantly higher mortality rates.

5) Medical bills are a burden for the uninsured and frequently leave them with debt.

The uninsured often face unaffordable medical bills when they do seek care. When they receive care, the uninsured pay for more than one-third of their care out-of-pocket and are often charged higher amounts for their care than the insured pay. Most of the uninsured have low or moderate incomes and have little, if any, savings; high medical bills can be an additional source of financial strain for families who are already struggling to make ends meet.

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* This analysis focuses on people under age 65 because almost all of the elderly are covered by Medicare. However 792,000 of those aged 65 and over are uninsured, bring the total uninsured to 49.9 million.

1) Most of the nation's 49.1 million uninsured are low- or moderate-income.

Individuals below poverty are at the highest risk of being uninsured, and this group comprises 40.6% of all the uninsured (the poverty level for a family of four was $22,050 in 2010). In total, nine in ten of the uninsured are in low- or moderate-income families, meaning they are below 400% of poverty. Since the average annual cost of employer-sponsored family coverage in 2010 was $13,770, many cannot afford the premiums without sizable employer contributions. The Affordable Care Act (ACA) targets these individuals through broader Medicaid eligibility and private coverage subsidies for eligible individuals with incomes up to 400% of poverty.

Key Details:

- The uninsured span the age spectrum (Figure 1). However, children are the least likely to be uninsured because they are more likely to qualify for public coverage through Medicaid or the Children's Health Insurance Program. Young adults currently have the highest uninsured rate (30% of young adults were uninsured in 2010), though as of September 2010 the ACA began allowing young adults to stay on their parent's private health insurance until age 26 beginning in September 2010.

- The uninsured report that cost and access pose a major barrier to purchasing coverage. In a recent government survey, 68% of adults said that one of the reasons they are uninsured is because the cost is too high or they lost their job, compared to 2% who said they are uninsured because they do not need coverage.[2]

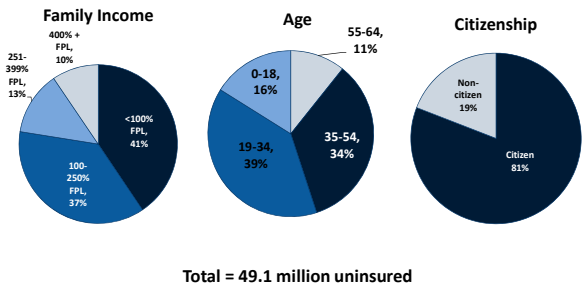
- About eight in ten of the uninsured are U.S. citizens and 19% are non-citizens. Non-citizens include legal permanent residents with green cards, refugees, and undocumented immigrants. Undocumented immigrants and legal immigrants residing in the U.S. for less than five years are ineligible for federally funded health coverage.

- Uninsured rates vary widely by state and by region, with individuals living in the South and West being the most likely to be uninsured.

- In 2010, nearly three-quarters of the uninsured nonelderly were without insurance for more than a year.[3] The uninsured often are without coverage because they do not have access to employer-sponsored insurance. The continued weak economy may increase the number of long-term uninsured as more individuals are unemployed for long periods of time.

Figure 1

Characteristics of the Nonelderly Uninsured, 2010



Total = 49.1 million uninsured

The federal poverty level was $22,050 for a family of four in 2010. Data may not total 100% due to rounding.
SOURCE: KCMU/Urban Institute analysis of 2010 ASEC Supplement to the CPS.

2) More than three-quarters of the uninsured are in a working family.

Some 76% of the 49.1 million uninsured in the U.S. come from working families (Figure 2). Most uninsured workers are self-employed or work for small firms where health benefits are less likely to be offered.[4] Low-wage workers who are offered coverage often cannot afford their share of the premiums, especially for family coverage. [5,6]

Key Details:

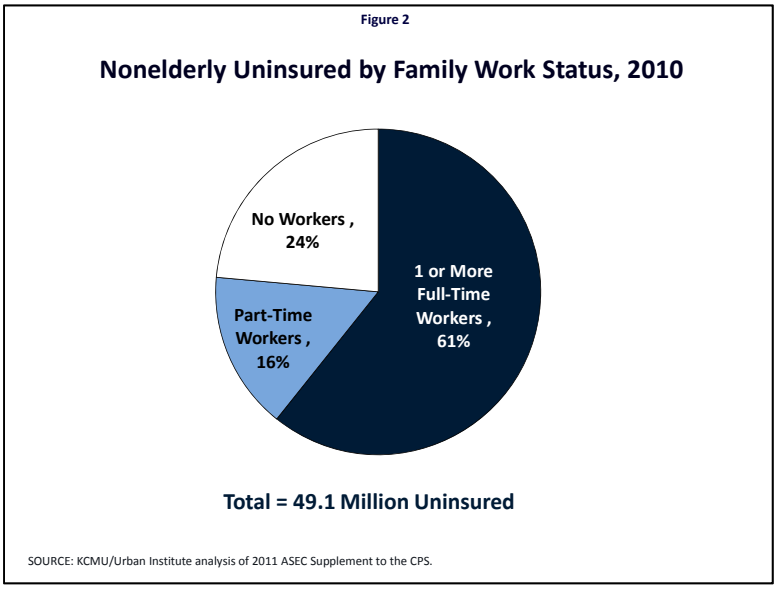
- The weak economy contributed to declines in employer-sponsored coverage, which insured 56% of the nonelderly population in 2010.

- In 2010 many people shifted from out of full-time work and into part-time positions, which are less likely to offer health insurance.[7] About six in ten of the uninsured have at least one full-time worker in their family and 16% have only part-time workers. (Fig. 2)

- Workers usually enroll in employer-sponsored health insurance if they are eligible.[8] However, it has become increasingly difficult for many workers to afford coverage. In 2010, the average annual total cost of employer-sponsored family coverage was $13,770, and the share of the premium paid by workers was 30%. Between 2005 and 2010, workers' share of premiums increased by 47%, while overall premiums rose 27% and wages increased 18%.[9]

- It can be difficult for uninsured adults to gain jobs with better pay or benefits because they tend to have much lower levels of education than those with private insurance. Uninsured adults are twice as likely as privately insured adults to have no education beyond high school (60% vs. 30%).[10]

Figure 2



3) Medicaid and CHIP prevent more people, particularly children, from becoming uninsured.

Medicaid and the Children's Health Insurance Program (CHIP) have been key to preventing more people from being uninsured, and the share of people covered by the program has increased significantly in recent years due to the weak economy and high unemployment. To aid states struggling to maintain Medicaid during the recession, the American Recovery and Reinvestment Act (ARRA) provided a temporary increase in federal Medicaid funding through December 2010. Congress later extended the increased funding at a lower rate through June 2011, but the additional funding ended at that point. The ACA also included eligibility protections designed to keep Medicaid coverage steady until broader health reform goes into effect.

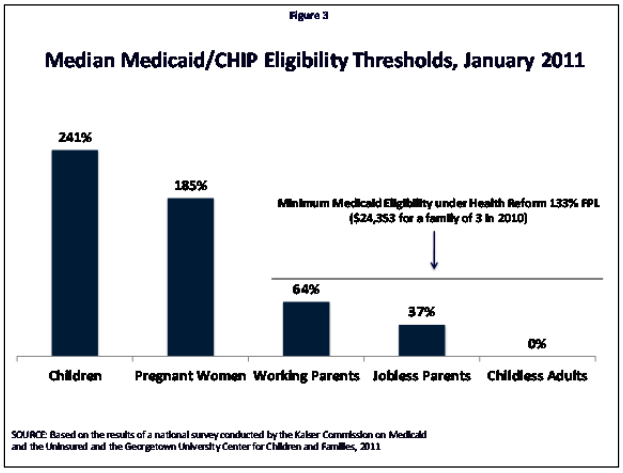
Key Details:

- Enrollment in public coverage has increased steadily in recent years. In 2010, there were 45 million people enrolled in Medicaid and CHIP. Medicaid is typically only available to low-income children, parents, pregnant women, people with disabilities, and the elderly who meet strict income criteria. Adults without dependent children in most states are ineligible regardless of income (Figure 3). The ACA will expand Medicaid to all of the lowest income Americans in 2014.

- Confusion over who qualifies for Medicaid or CHIP and an enrollment process that can be cumbersome leave nearly one-third of the uninsured without coverage despite many being eligible for these programs. About half of the eligible but uninsured are children.[11]

- The ACA will effectively extend Medicaid to nearly all of the non-elderly at or below 138% of poverty ($30,429 for a family of four in 2010) in 2014.[12] This new universal minimum coverage level will be coupled with changes to help streamline Medicaid's enrollment process.

- Federal restrictions on eligibility prohibit Medicaid and CHIP coverage for many immigrants, including legal immigrants who have been in the U.S. for less than five years. However, multiple states have taken up the federal option to extend Medicaid coverage to some who would have been subject to the ban.[13] Federal law bars undocumented immigrants from receiving Medicaid and CHIP coverage.[14]



4) About one-quarter of uninsured adults go without needed care due to cost.

About one-quarter (26%) of uninsured adults go without needed care each year due to cost (Figure 4). Studies repeatedly demonstrate that the uninsured are less likely than those with insurance to receive preventive care and services for major health conditions and chronic diseases—and many suffer serious consequences.[15, 16, 17, 18]

Key Details:

- Health providers can choose to not provide care to the uninsured. Only emergency departments are required by federal law to screen and stabilize all individuals. However the uninsured are not necessarily more likely to use the emergency room than those with insurance.[19] If the uninsured are unable to pay for care in full, they are often turned away when they seek follow-up care for urgent medical conditions.[20]

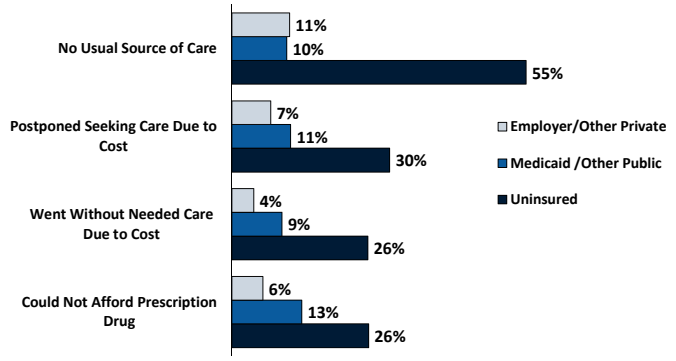
- The uninsured receive less preventive care and recommended screenings than the insured. Uninsured older adults (ages 50-64) were far less likely than their insured counterparts to report having been screened for cancer in the past five years. [21] The ACA will strengthen coverage for preventive care and aims to improve health care coordination, which will help the uninsured gain access to needed services once they become insured.

- Receiving needed care is especially important for the uninsured since they are generally not as healthy as those with private coverage. The uninsured are at higher risk for preventable hospitalizations and for missed diagnoses of serious health conditions.[22] After a chronic condition is diagnosed, they are less likely to receive follow-up care and as a result are more likely to have their health decline.[23] Furthermore, the uninsured also have significantly higher mortality rates than those with insurance.[24,25]

- The uninsured report higher rates of postponing care or forgoing needing care or prescriptions due to cost as compared to those enrolled in Medicaid and other public programs (Figure 4). A seminal study of health insurance in Oregon found that the uninsured were less likely to receive care from a hospital or doctor than newly insured Medicaid enrollees.[26]

Figure 4

Barriers to Health Care Among Nonelderly Adults by Insurance Status, 2010



In past 12 months.
Respondents who said usual source of care was the emergency room were included among those not having a usual source of care.
All differences between uninsured and insurance groups are statistically significant (p<0.05).
SOURCE: KCMU analysis of 2010 NHIS data.

5) Medical bills are a burden for the uninsured and cause serious financial strain.

The uninsured often face unaffordable medical bills when they do seek care. These bills can quickly translate into medical debt since most of the uninsured have low or moderate incomes and have little, if any, savings.

Key Details:

- Uninsured individuals pay for more than one-third (35%) of their care out-of-pocket.[27] They are typically billed for any care they receive, often paying higher charges than the insured.[28]

- Medical bills can put great strain on the uninsured and threaten their physical and financial well-being. The uninsured are three times as likely (15% versus 5%) as those with health insurance coverage to be unable to pay for basic necessities due to medical bills (Figure 5). Additionally, 27% of the uninsured report having used up all or most of their savings because of medical bills.

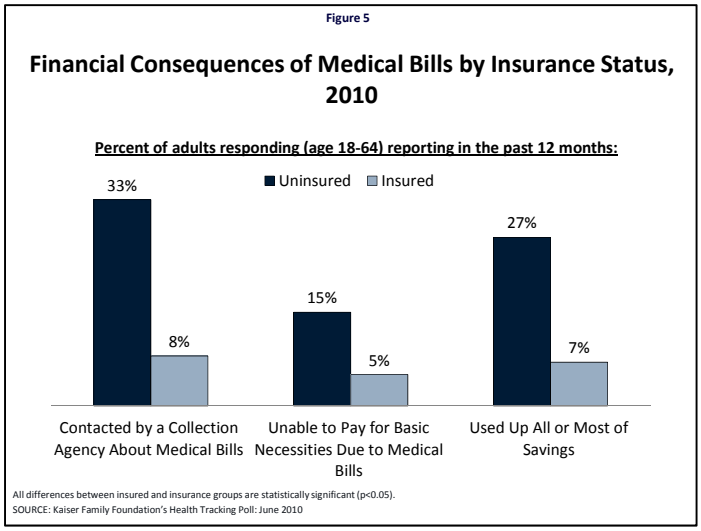
- The recent Oregon health insurance study found that the uninsured were more likely to experience financial strain from medical bills and out-of-pocket expenses than those with Medicaid coverage.[29]

- The uninsured live with the knowledge that they may not be able to afford to pay for their family's medical care, which can cause anxiety and potentially lead them to delay or forgo care. Almost two-thirds (63%) of the uninsured are not confident that they can pay for their family's usual medical costs, compared to 23% of the insured.[30]

- The average uninsured household has no net assets.[31] Without sufficient income or assets to pay their medical bills, uninsured individuals often see their debts accumulate while their credit ratings are compromised. One-third of uninsured adults have been contacted by a collection agency about their medical bills in the past twelve months, compared to 8% of insured adults.

Figure 5

Financial Consequences of Medical Bills by Insurance Status, 2010



All differences between insured and insurance groups are statistically significant (p<0.05).
SOURCE: Kaiser Family Foundation's Health Tracking Poll: June 2010

Policy Implications

More than 49 million people were uninsured in 2010, a dramatic increase since 2008 when the recession began. The continued weak economy contributes to both the high rate of uninsurance and a decline in the percent of people with private insurance. More individuals would have become uninsured were it not for the safety net of coverage provided by Medicaid and CHIP.

Going without coverage can have serious health consequences for the uninsured because they receive less preventive care, and delayed care often results in more serious illness requiring advanced treatment. The major coverage provisions in the ACA take effect in 2014 and are designed to decrease the number of uninsured by expanding eligibility for Medicaid while also providing subsidies for private coverage. However, most uninsured children are currently eligible for Medicaid or CHIP and do not need to wait until 2014 to gain coverage. The expanded availability of public and private coverage in the ACA is intended to decrease the number of individuals who face the access and financial challenges that come with being uninsured. The ACA holds promise for many people who will gain access to health insurance coverage, but millions of people are struggling right now to access affordable healthcare for themselves and their families.

[1] Census revises its estimates for previous years to reflect adjustments in data collection and imputation methodology. This revision means that the 2009 estimate was 49.0 million, not 50.7 million as previously reported.
[2] Kaiser Commission on Medicaid and the Uninsured analysis of 2010 National Health Interview Survey data. Analysis of question "Which of these are reasons {person} stopped being covered or does not have health insurance…cost is too high…lost job or changed employers…no need for it/chooses not to have."
[3] National Center for Health Statistics. 2011. "Health Insurance Coverage: Early Release of Estimates from the National Health Information Survey, 2010." Available at: http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201106.pdf.
[4] Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of the 2011 ASEC Supplement to the CPS.
[5] Kaiser Family Foundation and Health Research and Educational Trust, 2011, "Employer Health Benefits 2011 Annual Survey."
[6] State Health Access Data Assistance Center (SHADAC). 2011. State Level Trends in Employer Sponsored Health Insurance: A State-by-State Analysis. Available at: htt[://www.shadac.org/files/shadac/publications/ESI_Trends_Jun2011.pdf .
[7] US Bureau of Labor Statistics. 2008. Involuntary Part-Time Work on the Rise. *Issues in Labor Statistics*, Summary 08-08. Available at: http://www.bls.gov/opub/ils/pdf/opbils71.pdf .
[8] P. Cunningham, S. Artiga and K. Schwartz, 2008 "The Fraying Link Between Work and Health Insurance: Trends in Employer-Sponsored Insurance for Employees, 2000-2007." (#7840 November).
[9] Kaiser Family Foundation and Health Research and Educational Trust, 2010, "Employer Health Benefits 2010 Annual Survey."
[10] Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of 2011 ASEC Supplement to the CPS.
[11] L. Dubay and A. Cook, 2009, "How Will the Uninsured Be Affected by Health Reform?" Kaiser Commission on Medicaid and the Uninsured (#7971). Available at: http://www.kff.org/healthreform/upload/7971.pdf
[12] The Patient Protection and Affordable Care Act extends Medicaid eligibility to 133% of poverty, but a special income deduction equal to five percentage points of the poverty level effectively raises the eligibility level to 138% of poverty.
[13] M. Heberlein et al., 2011, "Holding Steady, Looking Ahead: Annual Findings of a 50-State Survey of Eligibility Rules, Enrollment and Renewal Procedures, and Cost Sharing Practices in Medicaid and CHIP, 2010-2011. Kaiser Commission on Medicaid and the Uninsured (#8130). Available at http://www.kff.org/medicaid/upload/8130.pdf
[14] Kaiser Family Foundation, 2009 "Immigrants' Health Coverage and Health Reform: Key Questions and Answers,"(#7982 September).
[15] Wilper et al., 2009, "Health Insurance and Mortality in US Adults." *American Journal of Public Health,* 99(12) 2289-2295.
[16] Collins et al., 2011, "Help on the Horizon: How the Recession Has Left Millions of Workers Without Health Insurance, and How Health Reform Will Bring Relief" The Commonwealth Fund. Available at: http://www.commonwealthfund.org/Surveys/2011/Mar/2010-Biennial-Health-Insurance-Survey.aspx
[17] Roetzheim et al., 2000, "Effects of Health Insurance and Race on Colorectal Cancer Treatments and Outcomes," *American Journal of Public Health* 90(11):1746-54.
[18] J. Hadley, 2007, "Insurance Coverage, Medical Care Use, and Short-term Health Changes Following an Unintentional Injury or the Onset of a Chronic Condition," *JAMA* 297(10):1073-84.
[19] Newton et al. 2008. "Uninsured Adults Presenting to US Emergency Departments: Assumptions vs. Data", *JAMA* 300(16):1914-24.
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[21] Collins et al., 2011, "Help on the Horizon: How the Recession Has Left Millions of Workers Without Health Insurance, and How Health Reform Will Bring Relief" The Commonwealth Fund. Available at: http://www.commonwealthfund.org/Surveys/2011/Mar/2010-Biennial-Health-Insurance-Survey.aspx
[22] Institute of Medicine. 2002. "Health Insurance is a Family Matter." Washington, DC.
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[25] Institute of Medicine. 2009. *America's Uninsured Crisis, Consequences for Health and Health Care.* Washington, DC: National Academies Press. p. 60-63.
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[30] Analysis of Kaiser Health Tracking Poll: June 2010. Data analyzed for adults 18-64.
[31] P. Jacobs and G. Claxton, "Comparing the Assets of Uninsured Households to Cost Sharing Under High Deductible Health Plans," *Health Affairs* 27(3):w214 (published online 15 April 2008).

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